

## **FISCAL NOTE**

### **SB 2963 - HB 3236**

March 8, 2006

**SUMMARY OF BILL:** Requires the Department of Safety to create and maintain an electronic registry of Tennesseans who have given consent to be an organ and tissue donor. The Department will periodically hold strategy meetings with representatives of other state departments, hospitals, organ and tissue agencies, and other entities to encourage and promote the highest level of donation.

#### **ESTIMATED FISCAL IMPACT:**

##### **Increase State Expenditures - \$299,800 One-Time**

**Other Fiscal Impact – The requirements of this legislation would result in a significant impact on state and federal expenditures for the TennCare program. If the organ and tissue registry provides a larger number of donors, the result could be a reduction in the amount of time a person is waiting for a donor organ which will lead to a decrease in the amount of time that a person has to be in a hospital and/or seeking medical care prior to a transplant. Such would decrease the amount of hospital care that the TennCare program provides compensation for leading to a significant decrease in state and federal expenditures. At the same time, more people will be receiving transplants, which will result in a significant increase to state and federal expenditures. The amount of impact is not quantifiable due to the several variables of organ and tissue transplants.**

##### Assumptions:

- There will be programming changes estimated to increase one-time state expenditures \$24,800 for 400 hours of OIR programming at \$62 per hour and \$50,000 for NIC programming for enhancement to existing Internet program.
- The Department will incur one-time expenditures of \$225,000 for printing a new application (\$75,000) and brochures (\$150,000).
- In 2004, 53 heart transplants had an average length of stay (LOS) of 27.1 days with an average charge of \$226,192 and average ICU days of 5.79 with an average charge of \$20,135. 397 kidney transplants had an average LOS of 6.82 with an average charge of \$92,565 and average

ICU days of .5 with an average charge of \$1,229. 17 lung transplants had an average LOS of 17.9 with an average charge of \$167,654 and average ICU days of 11.1 with an average charge of \$18,437.

- Total charges for heart transplants were \$11,998,201 with \$1,067,170 in ICU charges; kidney transplants were \$36,748,119 with \$487,763 in ICU charges; and lung transplants were \$2,850,118 with \$313,435 in ICU charges. If there was a 10% increase in the number of transplants, it would increase expenditures by an amount exceeding \$5,000,000.
- In 2004, the admissions data prior to transplants was collected for a fewer number of transplants. 29 heart patients had an average LOS of 19.4 days with an average charge of \$120,890 and average ICU days of 12.9 with an average charge of \$16,084. 59 kidney patients had an average LOS of 11.5 days with an average charge of \$73,276 and average ICU days of 5.81 with an average charge of \$8,750. 3 Lung patients had an average LOS of 6 days with an average charge of \$45,935 and average ICU days of 3 with an average charge of \$3,936.
- Total charges for admissions prior to transplants for heart patients were \$3,505,802 with \$466,433 in ICU charges; kidney patients were \$4,323,308 with \$516,273 in ICU charges; lung patients were \$137,804 with \$11,807 in ICU charges. If there was a 10% decrease in the amount of days that patients were admitted prior to a transplant, it would decrease expenditures by an amount exceeding \$1,000,000. If the data was available for all transplant patients prior to admittance, the decrease could exceed \$5,000,000.
- Each individual transplant case and patient is different and there are many variables to consider when estimating costs. Due to such, it is problematic to provide a quantified estimate of the fiscal impact to the TennCare program.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director